

**Hearing Date: January 31, 2008**  
**Hearing Time: 10:00 a.m. (Prevailing Eastern Time)**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT  
TO PROOFS OF CLAIM NUMBERS 15679 AND 15681  
(FRY'S METALS, INC., A COOKSON ELECTRONICS COMPANY)

("STATEMENT OF DISPUTED ISSUES – FRY'S METALS, INC.")

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proofs Of Claim Numbers 15679 And 15681 filed by Fry's Metals, Inc., a Cookson Electronics Company ("Fry's Metal") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors, filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.

2. On July 31, 2006, Fry's Metal filed proof of claim no. 15679 ("Proof of Claim No. 15679") against Delphi. Proof of Claim No. 15679 asserts an unsecured non-priority claim in the amount of \$12,284.59 for the sale of goods ("Claim 15679").

3. On July 31, 2006, Fry's Metal filed proof of claim no. 15681 ("Proof of Claim No. 15681," together with Proof of Claim No. 15679, the "Proofs of Claim") against DAS LLC. Proof Of Claim No. 15681 asserts an unsecured non-priority claim in the amount of \$58,228.25 for the sale of goods ("Claim 15681," together with Claim 15679, "the Claims").

4. On May 22, 2007, the Debtors objected to the Claims pursuant to the Debtors' Fifteenth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claims And Untimely Tax Claim, And (D) Claims

Subject To Modification, Tax Claims Subject to Modification, And Modified Claims Asserting Reclamation (Docket No. 7999) (the "Fifteenth Omnibus Claims Objection").

5. On June 18, 2007, Fry's Metal filed Fry's Metals, Inc., A Cookson Electronics Company's Response To Debtors' Fifteenth Omnibus Claims Objection (Docket No. 8317) (the "Response").

Disputed Issues

A. Delphi And DAS LLC Do Not Owe Fry's Metal The Amount Asserted In The Proofs Of Claim

6. Fry's Metal asserts in the Proofs of Claim that Delphi and DAS LLC owe Fry's Metal a total of \$70,512.84 for goods sold. Delphi and DAS LLC have reviewed the information attached to the Proofs of Claim and the Response and dispute the amount asserted in the Claims.

7. Wire Payments. During the weeks before the Petition Date, the Debtors implemented advance payment agreements to numerous vendors to ensure a continuous supply of parts and services. As such, delays and backlogs developed in the process used to post wire transfers to Delphi's and DAS LLC's main accounts payable system, which is called the Disbursement Analysis Control and Online Reporting System (or DACOR System). The DACOR System is used to pay all of Delphi's and DAS LLC's vendors as well as maintain all payable records. Additionally, the DACOR System distributes approvals to users, generates checks, prepares payment vouchers that are sent to vendors, automates journal entries and inputs those entries into the general ledger, and automates account distributions. The DACOR System will deduct advance payments from ordinary course payments if the advances are posted in time. In some instances, the delays in the DACOR System prevented wire transfer advances from

being posted to the DACOR System before the invoices came due. Here, the Debtors' records show that the amounts asserted in the Claims were not only paid in full, but in fact, Delphi and DAS LLC overpaid the amount owed to the Fry's Metal. Moreover, Delphi and DAS LLC are entitled to a credit in the amount of \$76,385.97 towards postpetition shipments for wire transfers exceeding the balance owed to Fry's Metal.

8. After taking into account the above-referenced deductions to the Proof of Claim, the Debtors reconciled the Proof of Claim as illustrated in the following chart:

<u>Claimant's Asserted Amount</u>		\$70,512.84
<u>Modifications</u>	Paid Invoices	(\$70,512.84)
	Overpayment	(\$76,385.97)
<u>Reconciled Amount</u>		(\$76,385.97)

#### Reservation Of Rights

9. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the

Claim(s) and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim(s).

WHEREFORE the Debtors respectfully request that this Court enter an order (a) disallowing and expunging the Proofs of Claim in their entirety, (b) granting the Debtors a credit in the amount of \$76,385.97 towards postpetition shipments, and (c) granting the Debtors such other and further relief as is just.

Dated: New York, New York  
December 4, 2007

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